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DEPARTMENT OF COMMERCE

International Trade Administration

A-570-985

Xanthan Gum from the People's Republic of China: Initiation of Antidumping Duty New Shipper Review

AGENCY: Enforcement and Compliance, formerly Import Administration, International Trade Administration, Department of Commerce

EFFECTIVE DATE: [Insert date of publication in the Federal Register.]

SUMMARY: The Department of Commerce ("Department") determined that the request described below for a new shipper review of the antidumping duty order on xanthan gum from the People's Republic of China ("PRC") meets the statutory and regulatory requirements for initiation. The period of review ("POR") for the new shipper review is July 19, 2013, through December 31, 2013.

FOR FURTHER INFORMATION CONTACT: Brandon Farlander, AD/CVD Operations, Office IV, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0182.

SUPPLEMENTARY INFORMATION:

Background

The Department published the antidumping duty order on xanthan gum from the PRC on July 19, 2013.<sup>1</sup> On January 10, 2014, pursuant to section 751(a)(2)(B)(i) of the Tariff Act of 1930, as amended (the "Act"), and 19 CFR 351.214(c), the Department received a timely request

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<sup>1</sup> See Xanthan Gum From the People's Republic of China: Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order, 78 FR 43143 (July 19, 2013) ("Order").

for a new shipper review from Meihua Group International Trading (Hong Kong) Limited (“Meihua Hong Kong”), Langfang Meihua Bio-Technology Co., Ltd. (“Meihua Bio-Technology”) and Xinjiang Meihua Amino Acid Co., Ltd. (“Meihua Amino Acid”) (collectively “Meihua”).<sup>2</sup> On January 23, 2014, the Department received entry data from U.S Customs and Border Protection (“CBP”) relating to this request for a new shipper review.<sup>3</sup> In addition, the Department requested that CBP provide entry documents pertaining to the entry that is subject to this new shipper review in order to confirm certain information reported in the Initiation Request.<sup>4</sup> The continuation of the new shipper review will be contingent upon confirmation of the information reported in the Initiation Request.

Meihua reported that the sale of subject merchandise upon which the request for the new shipper review is based, was made through Meihua Hong Kong and the subject merchandise was produced by Meihua Amino Acid.<sup>5</sup> Meihua did not state that Meihua Bio-Technology either sold or produced the subject merchandise on which the request for a new shipper review is based.<sup>6</sup> However, Meihua requests that the Department review the affiliation of the three companies named above, find them to be a single entity, and initiate a new shipper review of the collapsed entity. Because it is not the Department’s practice to consider collapsing producers or treating two or more parties as a single entity at the initiation stage of a new shipper review, we

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<sup>2</sup> See Letter to the Secretary of Commerce “Re: Xanthan Gum from the People’s Republic of China Entry of Appearance and Request for New Shipper Review,” dated January 10, 2014 (“Initiation Request”).

<sup>3</sup> See Memorandum to the File from Howard Smith, Program Manager, AD/CVD Operations, Office IV regarding “U.S. Customs and Border Protection Data; Customs Query Results for Meihua Group International Trading (Hong Kong) Limited, Langfang Meihua Bio-Technology Co., Ltd., and Xinjiang Meihua Amino Acid Co., Ltd.,” dated concurrently with this notice.

<sup>4</sup> See Memorandum to Michael Walsh, Director, AD/CVD/Revenue Policy & Programs, Office of International Trade, U.S. Customs and Border Protection, from Abdelali Elouaradia, Director Office IV, AD/CVD Operations, Enforcement and Compliance, “Request for U.S. Entry Documents – Xanthan Gum from the People’s Republic of China (A-570-985),” dated January 31, 2014.

<sup>5</sup> See Initiation Request at 2.

<sup>6</sup> Id.

have not treated the three companies as a single entity for purposes of this initiation. Affiliation and collapsing issues can be raised and considered during the course of the new shipper review.

Pursuant to section 751(a)(2)(B)(i)(I) of the Act and 19 CFR 351.214(b)(2)(i), Meihua Hong Kong and Meihua Amino Acid certified that they did not export xanthan gum to the United States during the period of investigation (“POI”).<sup>7</sup> In addition, pursuant to section 751(a)(2)(B)(i)(II) of the Act and 19 CFR 351.214(b)(2)(iii)(A), Meihua Hong Kong and Meihua Amino Acid certified that, since the initiation of the investigation, they have never been affiliated with an exporter or producer that exported xanthan gum to the United States during the POI, including those not individually examined during the investigation.<sup>8</sup> As required by 19 CFR 351.214(b)(2)(iii)(B), Meihua Hong Kong and Meihua Amino Acid also certified that their export activities were not controlled by the government of the PRC.<sup>9</sup>

In addition to the certifications described above, pursuant to 19 CFR 351.214(b)(2)(iv), Meihua Hong Kong submitted documentation establishing the following: (1) the date on which it first shipped xanthan gum for export to the United States and the date on which the xanthan gum was first entered, or withdrawn from warehouse, for consumption; (2) the volume of its first shipment; and (3) the date of its first sale to an unaffiliated customer in the United States.<sup>10</sup>

The Department conducted a CBP database query and confirmed by examining the results of the CBP data query that Meihua Amino Acid’s subject merchandise entered the United States during the POR specified by the Department’s regulations.<sup>11</sup>

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<sup>7</sup> Id. at 3.

<sup>8</sup> Id. at 3.

<sup>9</sup> Id. at 3.

<sup>10</sup> Id. at Exhibit 2.

<sup>11</sup> See 19 CFR 351.214(g)(1)(i)(A).

### Initiation of New Shipper Review

Pursuant to section 751(a)(2)(B) of the Act, 19 CFR 351.214(b), and based on the information on the record, the Department finds that Meihua Hong Kong meets the threshold requirements for initiation of a new shipper review of its shipment of xanthan gum from the PRC.<sup>12</sup> However, if the information supplied by Meihua Hong Kong is later found to be incorrect or insufficient during the course of this proceeding, the Department may rescind the review or apply facts available pursuant to section 776 of the Act, depending upon the facts on the record. The POR for the new shipper review of Meihua Hong Kong is July 19, 2013, through December 31, 2013.<sup>13</sup> Pursuant to 19 CFR 351.221(c)(1)(i), the Department will publish the notice of initiation of a new shipper review no later than the last day of the month following the anniversary month or semiannual anniversary month of the order. The Department intends to issue the preliminary results of this review no later than 180 days from the date of initiation, and the final results of this review no later than 90 days after the date the preliminary results are issued.<sup>14</sup>

It is the Department's usual practice, in cases involving non-market economies ("NME"), to require that a company seeking to establish eligibility for an antidumping duty rate separate from the NME-wide entity to provide evidence of the absence of de jure and de facto government control over the company's export activities. Accordingly, the Department will issue a questionnaire to Meihua Hong Kong which will include a section requesting information with regard to its export activities for the purpose of establishing Meihua Hong Kong's eligibility

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<sup>12</sup> See, generally, Memorandum to the File through Abdelali Elouaradia, Director, AD/CVD Operations, Office IV "Initiation of Antidumping New Shipper Review of Xanthan Gum from the People's Republic of China: Meihua Group International Trading (Hong Kong) Limited Initiation Checklist," dated concurrently with this notice.

<sup>13</sup> See 19 CFR 351.214(g)(1)(ii)(B).

<sup>14</sup> See section 751(a)(2)(B)(iv) of the Act; 19 CFR 351.214(i).

for a separate rate. The review of Meihua Hong Kong will proceed if the response provides sufficient indication that Meihua Hong Kong is not subject to either de jure or de facto government control with respect to its exports of subject merchandise.

The Department will instruct CBP to allow, at the option of the importer, the posting, until the completion of the review, of a bond or security in lieu of a cash deposit for entries of subject merchandise from Meihua Hong Kong in accordance with section 751(a)(2)(B)(iii) of the Act and 19 CFR 351.214(e). Because Meihua Hong Kong certified that it exported the subject merchandise that was produced by Meihua Amino Acid and that such merchandise is the subject of this new shipper review, the Department will apply the bonding privilege only for subject merchandise produced by Meihua Amino Acid and exported by Meihua Hong Kong.

Interested parties requiring access to proprietary information in this new shipper review should submit applications for disclosure under administrative protective order in accordance with 19 CFR 351.305 and 351.306.

This initiation and notice are published in accordance with section 751(a)(2)(B) of the Act and 19 CFR 351.214 and 351.221(c)(1)(i).

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Christian Marsh  
Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations

\_\_\_\_February 21, 2014\_\_\_\_\_  
(Date)

